



**Request for City Council Committee Action
From the Department of IGR- Grants & Special Projects**

Date November 10, 2003
To The Honorable Lisa Goodman, Chair, Community Development Committee
Referral to The Honorable Barbara Johnson, Chair, Ways & Means/Budget Committee

Subject HOME Investment Partnerships Program (HOME) competitive reallocation of funds to provide permanent housing for the chronically homeless

Recommendation

(Complete action required in the final report, including fund-agency-org, contract number and amendment number, if applicable)

Authorize staff to apply for funding under the HOME Investment Partnerships Program Competitive Reallocation of Funds to Provide Permanent Housing for the Chronically Homeless.

Previous Directives – N/A

Prepared or Submitted by Matt Bower, Planner II, Grants and Special Projects, x2188
Approved by John Moir, City Coordinator _____
Presenters in Committee Matt Bower, Grants and Special Projects; Donna Wiemann, CPED

Financial Impact (Check those that apply)

☐ No financial impact - or - Action is within current department budget.
(If checked, go directly to Background/Supporting Information)

☐ Action requires an appropriation increase to the Capital Budget

☐ Action requires an appropriation increase to the Operating Budget

☐ Action provides increased revenue for appropriation increase

☐ Action requires use of contingency or reserves

☒ Other financial impact (Explain): If awarded funds, a 25% local match will be required. This match is consistent with regular HOME entitlement funds.

☐ Request provided to the Budget Office when provided to the Committee Coordinator

Community Impact (use any categories that apply)

City Goals Application is supportive of city goal of fostering the development and preservation of a mix of quality housing types that is available, affordable, meets current needs, and promotes future growth.

Other Application addresses identified gap in County Continuum of Care

Background/Supporting Information Attached

On October 15, 2003 the U.S. Department of Housing and Urban Development issued a funding availability notice for the competitive reallocation of deobligated CHDO set-aside funds from the HOME program (\$6.5 million available, \$500,000 maximum award). Funding is available for communities to use for the development and support of the acquisition, rehabilitation or new construction of rental housing designated for single adults who are chronically homeless.

Specifically, the city will need to work through its CHDOs (Community-based Housing Development Organizations) to identify and develop an opportunity to provide permanent supportive housing for single adults who are chronically homeless and suffer from a disabling condition. In the current Continuum of Care gap analysis, this number is 500 persons (number derived from Single Adults Homeless Task Force goal #10 for supportive housing).

There is a tight timeframe to turn around applications (November 25, 2003). Therefore, of the 100 possible points awarded under the competition, 75 points are pre-scored by HUD based on past community performance. Minneapolis is set to receive 65 points based on past performance of our use of HOME funds. Thus, the city is highly competitive nationally for this award (7th highest number of points nationally). The balance of 25 points will be scored according to how our local strategies for serving the chronically homeless correspond to a continuum of care model and how we intend to develop funded activities through our local CHDO partners. Additionally, the city will be scored for its efforts to

- 1) make existing housing more affordable,
- 2) address negative effects that public policies may have on incentives to develop, maintain or improve affordable housing,
- 3) preserve affordability of privately owned vulnerable housing
- 4) increase supply of affordable housing for very low and low-income persons, particularly in areas accessible for jobs, and
- 5) remedy the effects of housing discrimination and improve housing opportunities for disadvantaged minorities.

These issues are addressed in current city Consolidated Plans and the Continuum of Care.

In light of the above, staff recommends pursuing these funds. Awarded funding will be subject to a specific grant agreement, however, funding will operate much in the manner of our existing HOME entitlement grant. The city will have 24 months to commit the award to a project and 5 years to complete project expenditures. The match requirement of 25% is consistent with requirements of the HOME grant. It is anticipated that the match would be provided at a project level.